

January 29, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**TECHNICAL CORRECTIONS TO TITLES 5 AND 6  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve the accompanying ordinance amending Titles 5 and 6 of the Los Angeles County Code.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The accompanying ordinance makes technical corrections to the County Code by restoring an inadvertently omitted certification requirement for mileage reimbursement. It also corrects the inadvertent omission of a step placement provision related to range shortening, corrects a salary and eliminates certain benefit restrictions that are not required by law.

**FISCAL IMPACT/FINANCING**

The cost of the corrections is minimal and will be financed within the current budgets of the affected departments.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Corrects inadvertent errors and omissions in recent ordinance amendments.

Honorable Board of Supervisors  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There is no impact on current services.

The ordinance amendment has been prepared and approved as to form by the County Counsel.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:PHS  
DT:pb

c: Auditor-Controller  
County Counsel  
Director of Personnel

## **ANALYSIS**

This ordinance amends Title 5 - Personnel and Title 6 - Salaries of the Los Angeles County Code to correct errors and omissions in recently enacted ordinances by:

- Eliminating restrictions that are no longer required by law on certain Savings Plan benefits.
- Restoring a provision that employees may be required to drive a privately owned vehicle as part of mileage reimbursement certification;
- Correcting the salary of Pharmacy Services Chief III, effective October 1, 2002;
- Placing certain persons employed as of August 31, 2001 on the appropriate step of the September 1, 2001 shortened Management Physician and Dental Director salary range.

LLOYD W. PELLMAN  
County Counsel

By \_\_\_\_\_  
ROGER WHITBY  
Senior Assistant County Counsel

MAV:mag

12/11/01  
01/07/02

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending the Los Angeles County Code related to Title 5 - Personnel and Title 6 - Salaries to correct errors and omissions in recently enacted ordinances.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 5.26.110 is hereby amended to read as follows:

**5.26.110 Amount of Matching Contributions.**

A. Subject to the provisions of the Plan and the Trust Agreement, the County shall contribute to the Investment Funds on account each month an amount equal to four percent (4%) of each Participant's monthly Compensation provided that the year-to-date cumulative Matching Contributions do not exceed such Participant's year-to-date cumulative Tax Deferred Contributions.

B. Notwithstanding any other provision of this Plan or the Horizons Plan, including the limitation in Subsection A, for Plan Years beginning before January 1, 2002, when a Participant of this Plan who is also a participant of the Horizons Plan makes the maximum tax deferred contributions permitted by the Code to both plans during a Plan Year, such Participant shall be entitled to have contributed as additional Matching Contributions to this Plan the difference between (1) the total Matching Contributions that would have been made to both plans for such Participant, but for the applicable Deferral Limit described in Section 5.26.100A., and (2) the total Matching Contributions actually made to both plans, provided that the total contributions to this Plan shall not exceed the total contributions allowed by Section 415 of the Code.

C. Notwithstanding any other provision of this Plan, including the limitation in Subsection A, when a Participant of this Plan, who makes no contributions to the Horizons Plan during a Plan Year, makes the maximum Tax Deferred Contributions permitted by the Code to this Plan during the same Plan Year, such Participant shall be entitled to have contributed as additional Matching Contributions to this Plan the difference between (1) the total Matching Contributions that would have been made for such Participant to this Plan, but for the applicable Deferral Limit described in Section 5.26.100A. or B., and (2) the total Matching Contributions actually made to this Plan, provided that the total contributions to this Plan shall not exceed the total contributions allowed by Section 415 of the Code.

D. Notwithstanding any other provision of this Plan or the Horizons Plan, including the limitation in Subsection A, for Plan Years beginning on or after January 1, 2002, when a Participant of this Plan who is also a participant of the Horizons Plan (i) has elected to be covered by Section 5.26.100B, (ii) makes the maximum contributions permitted by the Code under the Horizons Plan, and (iii) is making Tax Deferred Contributions to this Plan at a rate that will permit the Participant to receive the full Matching Contribution under Section 5.26.110A of this Plan, ~~and makes the maximum tax deferred contributions permitted by the Code under both plans,~~ such Participant shall be entitled to have contributed as additional Matching Contributions to this Plan the difference between (1) the total Matching Contributions that would have been made to both plans for such Participant, but for the applicable limitation under Code Section 457(c) and the Deferral Limit described in Section 5.26.100B., and (2) the total Matching

Contributions actually made to both plans, provided that the total Tax Deferred Contributions and Matching Contributions to this Plan shall not exceed the total contributions allowed by Section 415 of the Code.

E. Notwithstanding any other provision of this Plan or the Horizons Plan, including the limitation in Subsection A, for Plan Years beginning on or after January 1, 2002, when a Participant of this Plan who is also a participant in the Horizons Plan has elected to be covered by Section 5.26.100C (or is treated as having so elected) and makes tax deferred contributions to both plans equal to the Combined Limit under this Plan, such Participant shall be entitled to have contributed as additional Matching Contributions to this Plan the difference between (1) the total Matching Contributions that would have been made to both plans for such Participant, but for the Combined Limit described in Section 5.26.100C., and (2) the total Matching Contributions actually made to both plans, provided that the total Tax Deferred Contributions and Matching Contributions to this Plan shall not exceed the total contributions allowed by Section 415 of the Code.

**SECTION 2.** Section 5.26.260 is hereby amended to read as follows:

**5.26.260 Distributions on retirement or disability.**

A. Notwithstanding the provisions of Section 5.26.250, the entire Account of a Participant whose employment with the County terminates after he is age 70 or qualified for a service retirement benefit under the County Employees Retirement Law of 1937, as amended, if earlier, or whose employment with the County terminates because of Disability, shall be nonforfeitable and fully vested. Such Account shall be paid to the

Participant or his Beneficiary, in cash, in accordance with one of the following methods as the Participant determines:

1. A lump-sum payment; or
2. ~~Equal m~~Monthly, quarterly or annual installments not extending ~~over more than 15 years~~ for a period that is longer than the life of the Participant or the lives of the Participant and his spouse and the last survivor of them; or
3. Consecutive periodic payments for the life of the Participant or for the lives of the Participant and his spouse and the last survivor of them; or
4. A combination of the methods of payment described in subsections A1, 2 and 3 of this section.

B. All distributions hereunder shall be made on or begun as soon as administratively practicable after the Participant's application is filed pursuant to Section 5.26.240 and approved by the Administrative Committee. For purposes of a distribution, the date that such Participant's interest in an Investment Fund is liquidated or redeemed, partially or in full, to satisfy the distribution application shall be the applicable Valuation Date.

**SECTION 3.** Section 5.26.610 is hereby amended to read as follows:

**5.26.610 Rollovers and Plan-to-Plan Transfers.**

A. Rollovers from Other Plans.

1. The Trustee or its authorized agent shall, at the direction of the Administrative Committee, receive and thereafter hold and administer as part of the Accounts for a Participant all cash and other property that constitute an Eligible Rollover Distribution if such Eligible Rollover Distribution is either (1) received in a direct

trustee-to-trustee transfer, or (2) transferred by the Participant to the Trustee or its authorized agent on or before the 60th day after he received such Eligible Rollover Distribution (a "Rollover Contribution"). For purposes of this Section 5.26.610A, the Plan will accept Rollover Contributions that are made on or after January 1, 2002, from the following plans: (1) an individual retirement account under Code Section 408(a); (2) a "conduit" individual retirement account described in Code Section 408(d)(3)(A)(2); (3) an individual retirement annuity under Code Section 408(b); (4) an annuity plan described in Code Section 403(a); (5) a defined contribution plan which is qualified under Code Section 401(a); (6) an annuity contract under Code Section 403(b); and (7) an eligible deferred compensation plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Plan will accept an Eligible Rollover Distribution on or after January 1, 2002 which includes a distribution of after-tax employee contributions, provided the Rollover Contribution is made in a direct trustee-to-trustee transfer. The Plan will accept an Eligible Rollover Distribution on or after January 1, 2002 that is attributable to the Participant's status as a surviving spouse.

2. The Administrative Committee may take any action and may require the Participant to provide any information or documentation necessary to permit the Administrative Committee to satisfy any obligation imposed on the Administrative Committee by the Code and the regulations thereunder to make a reasonable determination that the Eligible Rollover Distribution satisfies the requirements of the Code and the terms of the Plan. The Committee may instruct the Trustee or its



authorized agent not to accept the contribution if it does not satisfy such requirements or if it would otherwise jeopardize the qualified status of the Plan.

3. An Eligible Rollover Distribution received by the Plan shall be held in the Participant's Rollover Contributions Account (which shall include one or more record-keeping subaccounts for purposes of separately accounting for Rollover Contributions from an eligible deferred compensation plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and the nontaxable portion of a Rollover Contributions that include after-tax contributions) and invested in accordance with the Participant's instructions in accordance with Section 5.26.200.

B. Rollovers From the Plan.

1. A Participant who is entitled to receive an Eligible Rollover Distribution from the Plan, may direct the Administrative Committee to have the distribution transferred in a lump sum directly to the trustee of one of the following "eligible retirement plans": (a) an individual retirement account under Code Section 408(a); (b) an individual retirement annuity under Code Section 408(b); (c) an annuity plan described in Code Section 403(a); or (d) a ~~defined contribution~~ plan which is qualified under Code Section 401(a) and permits the acceptance of rollover contributions. Effective for any distributions made on or after January 1, 2002, the term "eligible retirement plan" also shall include: (y) an annuity contract under Code Section 403(b), and (z) an eligible deferred compensation plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision

of a state and which agrees to separately account for amounts transferred into such plan from the Plan.

2. In order for a transfer to be made with respect to a Participant under this Section, (a) the Participant must designate in writing the eligible retirement plan to receive the transferred amounts; (b) the Participant must timely provide the Administrative Committee with adequate information to enable the Administrative Committee to determine that the transferee plan is an eligible retirement plan described above; (c) the entire amount to be transferred must be an Eligible Rollover Distribution; and (d) the Participant must have received proper notice in accordance with Code Section 402(f).

3. For distributions made on or after January 1, 2002, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of After-Tax Contributions. However, such portion may be transferred only (a) to an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b), or (b) in a direct trustee-to-trustee transfer to an annuity plan described in Code Section 403(a) or a defined contribution plan which is qualified under Code Section 401(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

4. For distributions made after December 31, 1992, a Participant's surviving spouse who becomes eligible to receive a distribution on the Participant's death under Section 5.26.270 of the Plan or an Alternate Payee who is a Participant's spouse or former spouse who becomes eligible to receive a distribution under Section 5.26.465 of the Plan shall be treated as the Participant for purposes of this Section, except that the term "eligible retirement plan" shall not include an annuity plan described in Code Section 403(a) or a defined contribution plan which is qualified under Code Section 401(a). For distributions made on or after January 1, 2002, a Participant's surviving spouse who becomes eligible to receive a distribution on the Participant's death under Section 5.26.270 of the Plan or an Alternate Payee who is a Participant's spouse or former spouse who becomes eligible to receive a distribution under Section 5.26.465 of the Plan shall be treated as the Participant for purposes of this Section.

C. Transfers Between County 401(k) Plans.

1. Transfers to this Plan from the County Deferred Earnings Plan. A Participant who is qualified to make Tax Deferred Contributions to this Plan may elect to transfer to this Plan his membership and the balance in his accounts under the County Deferred Earnings Plan, provided that:

a. Investments in the Participant's "Account" (as defined in the County Deferred Earnings Plan) -- other than any investment in the "Participant Loan Fund" (as defined in the County Deferred Earnings Plan) -- under the County Deferred Earnings Plan shall be liquidated and then the cash shall be transferred to this Plan within a commercially reasonable period of time, unless the Administrative Committee otherwise

makes arrangements for an in-kind transfer of assets. As soon as practicable following the transfer, the transferred cash shall be invested in the same Investment Funds (or a similar Investment Fund if the identical fund is not an available investment alternative) from which those amounts were liquidated and in the same proportions as they were invested under the County Deferred Earnings Plan;

b. Any balance owing and obligations of a County Deferred Earnings Plan loan shall become the balance owing and obligations due to this Plan; and

c. Vesting credit and benefit distribution rights accrued in the County Deferred Earnings Plan shall be transferred to this Plan.

2. Transfers from this Plan to the County Deferred Earnings Plan. A Participant who is qualified to make Tax Deferred Contributions (as defined in the County Deferred Earnings Plan) to the County Deferred Earnings Plan may elect to transfer to the County Deferred Earnings Plan his membership and the balance in his accounts under this Plan, provided that:

a. Investments in the Participant's Account -- other than any investment in the Participant Loan Fund -- under this Plan shall be liquidated and then the cash shall be transferred to the County Deferred Earnings Plan within a commercially reasonable period of time, unless the Administrative Committee otherwise makes arrangements for the in-kind transfer of assets. As soon as practicable following the transfer, the transferred cash shall be invested in the same Investment Funds (as defined in the County Deferred Earnings Plan) -- or a similar Investment Fund (if the identical fund is not an available investment alternative) from which those amounts were liquidated and

in the same proportions as they were invested under this Plan;

b. Any balance owing and obligations of a loan under this Plan shall become the balance owing and obligations due to the County Deferred Earnings Plan; and

c. Vesting credit and benefit distribution rights accrued in this Plan shall be transferred to the County Deferred Earnings Plan.

3. Transfers from this Plan to a Successor 401(k) Plan. The Accounts of a Participant who is eligible to participate in (a) a qualified defined contribution plan including a qualified cash or deferred arrangement maintained by an entity determined by the Internal Revenue Service to be a successor employer to the County, or (b) a qualified defined contribution plan including a cash or deferred arrangement that is determined by the Internal Revenue Service to be a successor plan to this Plan such that it is treated as adopted before May 7, 1986 by a state or local government, its political subdivision, or its agency or instrumentality, (referred to herein as a "Successor CODA Plan"), shall be liquidated and transferred to the Successor CODA Plan in accordance with the procedures implemented by the Administrative Committee; provided that:

a. Any balance owing and obligations of a loan under this Plan shall become the balance owing and obligations due to the Successor CODA Plan, which shall assume the Participant's note; and

b. Vesting credit and benefit distribution rights accrued in this Plan shall be transferred to the Successor CODA Plan.

**SECTION 4.** Section 5.40.240 is hereby amended to read as follows:

**5.40.240 Privately owned vehicles -- Rules and regulations for use --**

**Permittee certification required.**

A. If, in the opinion of the head of a department, the duties of an employee are such that he will be required to drive a privately owned vehicle on public business, such department head shall so certify to the auditor-controller. Such employee shall be known as a permittee. Whenever such a permittee has driven a privately owned vehicle on public business, such department head shall so certify to the auditor-controller. All certificates provided for in this section shall be signed by the department head, his chief deputy, or a person who has been designated by the department head in writing.

B. The chief administrative officer is authorized to establish rules and regulations governing the certification of an employee under this section.

C. For the purpose of this section, the term "employee" may include a reserve deputy sheriff who is a member of the mounted enforcement detail or the reserve background volunteer who conducts background investigations for the reserve program.

**SECTION 5.** Section 6.28.050 is hereby amended by changing the salary of the following class to read as follows:

<b><u>Item No.</u></b>	<b><u>Title</u></b>	<b><u>Effective Date</u></b>	<b><u>Salary or Salary Schedule and Level</u></b>	
5530	PHARMACY SERVICES CHIEF III	07/01/2001	104B	NV
		10/01/2001	105C	NV
		07/01/2002	105E	NW
		10/01/2002	<del>405B</del> <u>106B</u>	NW

**SECTION 6.** Section 6.28.160 is hereby added to read as follows:

**6.28.160 Step placement – shortened salary range.**

Notwithstanding any other provision of this Title 6, any persons employed on August 31, 2001, holding a position paid as a Management Physician or Dental Director pursuant to subsection B of Section 6.08.210, shall be placed on the step of the September 1, 2001 shortened salary range which is the same number of steps above the entry step of the shortened range as the employee was above the first step of the salary range in effect on August 31, 2001. For the purpose of this section, the employee shall retain the step anniversary date held prior to this conversion.

**SECTION 7.** Pursuant to Government Code Section 25123(f), this ordinance shall take effect immediately upon final passage.

[540240LTCOC]

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